

The complaint

Mr W has complained HSBC UK Bank plc won't remove a fraud-related marker they've lodged in his name.

What happened

Mr W made an application for a small business loan but found this was hampered because of adverse fraud-related data held about him. He discovered HSBC had lodged a CIFAS marker after they'd rejected an application he'd made with them in late 2019 for a current account.

They believed Mr W hadn't disclosed addresses he'd lived at within the previous three years and where credit applications – which had subsequently defaulted for different credit products – had been made.

Mr W contacted HSBC as he felt this was unfair as the form he'd completed had asked for his address and he'd completed this using his home address which he'd been at for the previous six years.

HSBC wouldn't remove the marker as they believed Mr W had omitted information deliberately to mislead them.

Mr W brought his complaint to the ombudsman service.

Our investigator reviewed the evidence. Mr W confirmed that during the previous period he'd stayed at some temporary addresses whilst he had marital issues, but his main address had remained the same since 2013. Our investigator wouldn't ask HSBC to remove the marker.

Mr W asked for time to provide further evidence, but nothing was forthcoming.

Mr W's complaint has been referred to an ombudsman.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've reached the same outcome to our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

“There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.

The evidence must be clear, relevant and rigorous.”

HSBC must be able to provide clear evidence that an identified fraud was being committed and Mr W was involved.

I've seen the evidence provided by HSBC. This confirms Mr W made an application for a new current account on 30 December 2019. He confirmed that he'd been living at his address within the previous three years (which meant the form defaulted to asking for no further information).

The address information provided didn't match the information HSBC was able to see when reviewing Mr W's credit record. They rejected his application and wrote to him confirming this. They also placed a CIFAS marker on his record in 2020.

I've reviewed the information Mr W provided to HSBC and what he's told us. He's argued that the form HSBC used doesn't allow for any nuance or to reflect that his main address remained the one he said on the form, but for certain periods – as reflected on his credit record – he was at different temporary addresses.

There's no debate he didn't provide full data on previous addresses he lived but Mr W doesn't believe the form permitted this.

I did consider whether the lack of information Mr W provided had any impact on HSBC. They were able to see the full data on his credit record – which identified at least four defaults in 2017 and 2018 at, what Mr W says are, temporary addresses.

However, like our investigator, I'm concerned why Mr W would be applying for credit at these temporary addresses and why he didn't apply for them at his permanent address despite him telling us why he was only staying elsewhere for short periods. These defaults weren't just for small amounts.

Mr W has wanted to provide us information from the credit providers. I know that he's had difficulty doing this. I suspect this won't be unrelated to the age of these debts which will now not be showing on his credit record. Most of his original credit providers may well have passed those on, including all the application records, to third party collection agents.

I have taken the difficulty Mr W may have been having into account.

Overall, I'm not convinced by Mr W's evidence and won't be asking HSBC to remove the fraud-related marker.

My final decision

For the reasons given, my final decision is not to uphold Mr W's complaint against HSBC UK Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 4 November 2024.

Sandra Quinn
Ombudsman